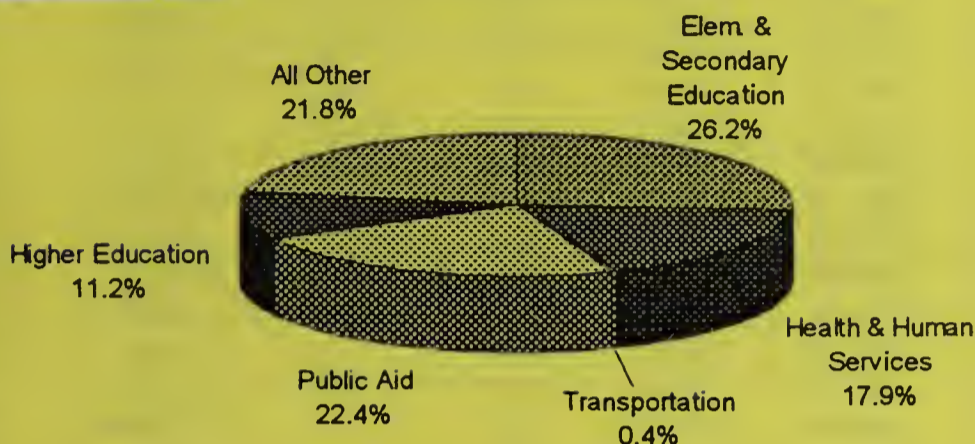


ILLINOIS STATE BOARD OF EDUCATION

Illinois School Finance at a Glance November 1998

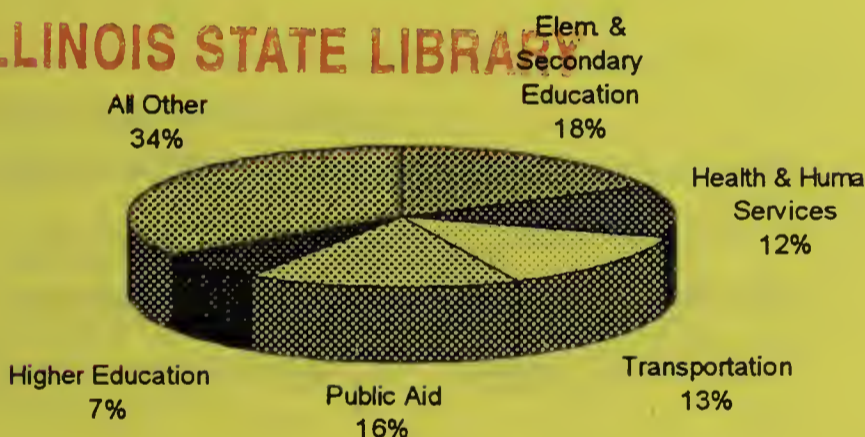
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PROPRIATION ACTIVITY BY PURPOSE FY 99 General Funds



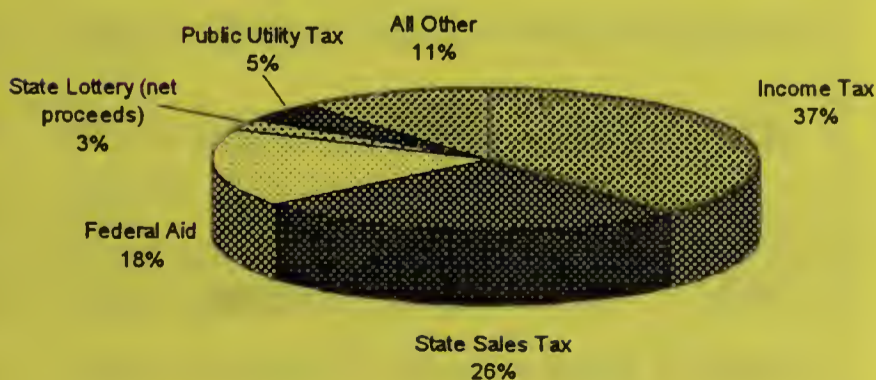
ILLINOIS DOCUMENTS
TOTAL: \$19,780 Million
(Estimated)

APPROPRIATION ACTIVITY BY PURPOSE FY 99 All Appropriated Funds



ILLINOIS STATE LIBRARY
TOTAL: \$38,118 Million
(Estimated)

ESTIMATED REVENUE BY SOURCE FY 99 General Funds by Source



TOTAL: \$21,384 Million
(Estimated)

**STATE, LOCAL AND FEDERAL RECEIPTS
FOR THE COMMON SCHOOLS
(\$ IN MILLIONS)**

Year	State \$	State %	Local \$	Local %	Federal \$	Federal %	Total \$
1998-99*	\$5,644.3	36.53	\$8,442.8	54.65	\$ 1,362.0	8.82	\$15,449.1
1997-98	4,849.3	33.87	8,052.0	56.23	1,417.9	9.90	14,319.2
1996-97	4,307.1	32.70	7,700.9	58.47	1,162.9	8.83	13,170.9
1995-96	3,994.8	32.07	7,339.8	58.91	1,123.7	9.02	12,458.3
1994-95	3,792.6	32.38	6,841.0	58.40	1,080.6	9.22	11,714.2
1993-94	3,611.5	32.94	6,453.4	58.85	901.0	8.21	10,965.9
1992-93	3,475.4	33.37	6,078.1	58.35	862.9	8.26	10,416.4
1991-92	3,433.9	35.21	5,555.8	56.97	762.5	7.82	9,752.2
1990-91	3,499.6	37.72	5,060.7	54.54	718.7	7.75	9,279.0
1989-90	3,487.5	39.35	4,709.5	53.13	666.8	7.52	8,863.8
1988-89	3,000.1	37.75	4,308.3	54.21	639.4	8.04	7,947.8
1987-88	2,866.4	38.97	3,910.7	53.16	579.2	7.87	7,356.3
1986-87	2,985.4	41.81	3,634.9	50.91	519.8	7.28	7,140.1
1985-86	2,767.9	41.04	3,481.3	51.62	494.8	7.34	6,744.0
1984-85	2,427.9	38.16	3,323.0	53.59	449.6	7.25	6,200.5
1983-84*	2,236.1	38.11	2,974.4	53.89	441.3	8.00	5,518.9
1982-83	2,103.2	40.15	2,844.9	50.91	499.6	8.94	5,587.8
1981-82	2,243.3	43.13	2,595.9	48.10	473.4	8.77	5,397.4
1980-81	2,328.1	42.34	2,485.0	47.43	536.3	10.23	5,239.8
1979-80	2,218.5	43.86	2,298.0	47.34	427.0	8.80	4,853.9
1978-79	2,128.9						

*Estimates

**TAX-RATE LIMITATIONS IN EFFECT FOR THE 1998-1999 SCHOOL YEAR
School District Tax Rate Limitations
(Chicago School District 299 not included)**

	District Type	Percent without Referendum	Percent with Referendum
Educational Fund	Elementary	0.92	3.50
	Secondary	0.92	3.50
	Unit	1.84	4.00
Operations and Maintenance Fund	Elementary	0.25	0.55
	Secondary	0.25	0.55
	Unit	0.50	0.75
Capital Improvements Fund	All	N/A	0.75
	Elementary	0.12	As Needed
	Secondary	0.12	As Needed
Transportation Fund	Unit	0.20	As Needed
	All	N/A	0.15
Summer School	All	N/A	As Needed
Bond and Interest Fund	All	N/A	As Needed
Rent Fund	All	N/A	As Needed
Municipal Retirement/Social Security Fund	All	As Needed	N/A
Tort Immunity	All	As Needed	N/A
Health Insurance	All	N/A	As Needed
Working Cash Fund	All	0.05	N/A
Fire Prevention Safety, Energy Conservation, and School Security	All	0.05	0.10
Special Education	Elementary	0.02	0.40
	Secondary	0.02	0.40
	Unit	0.04	0.80
Area Vocational Education	Secondary	N/A	0.05
	Unit	N/A	0.05
	All	As Needed	N/A
Tort Judgment Bonds	All	0.05	0.10
Leasing	All	0.05	0.10
Temporary Relocation	All Eligible	0.05	N/A

**OPERATING EXPENSE PER PUPIL (OEPP)
& PER CAPITA TUITION CHARGE (PCTUIT)**

Fiscal Year	Elementary Districts		High School Districts		Unit Districts		State	
	OEPP	PCTUIT	OEPP	PCTUIT	OEPP	PCTUIT	OEPP	PCTUIT
1997	5,979	5,341	9,265	8,648	5,875	4,793	6,280	5,367
1996	5,684	5,101	8,975	8,341	5,850	4,788	6,157	5,269
1995	5,468	4,922	8,695	8,091	5,613	4,649	5,922	5,108
1994	5,263	4,697	8,633	8,030	5,375	4,452	5,705	4,910
1993	5,128	4,639	8,518	7,979	5,256	4,349	5,579	4,821
1992	4,926	4,442	8,254	7,685	4,987	4,111	5,326	4,585
1991	4,679	4,224	7,826	7,279	4,755	3,957	5,066	4,382
1990	4,422	3,953	7,336	6,773	4,526	3,704	4,807	4,102
1989	4,162	3,802	6,653	6,197	4,276	3,528	4,518	3,900
1988	3,905	3,527	6,027	5,584	3,997	3,280	4,214	3,612

**PUBLIC SCHOOL ENROLLMENT
School Years 1988-89 through 1997-98**

School Year	Districts	Enrollment
1997-98	900	1,996,184
1996-97	904	1,974,824
1995-96	907	1,948,089
1994-95	915	1,920,289
1993-94	924	1,898,494
1992-93	932	1,877,785
1991-92	946	1,843,394
1990-91	953	1,816,182
1989-90	961	1,792,356
1988-89	972	1,790,566

UNIVERSITY OF ILLINOIS-URBANA
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INTERNAL AND EXTERNAL BORROWING OPTIONS FOR SCHOOLS

- Permanent transfers among operating funds (School Code, Section 17-2A)
- Transfer of interest earned (School Code, Section 10-22.44)
- Transfer of excess Bond and Interest Fund monies (School Code, Sections 17-2.11, 10-22.14 and 10-22.44)
- Transfer of excess fire prevention and safety tax proceeds (School Code, Section 17-2.11)
- Transfer of Working Cash Fund balances (School Code, Sections 20-5, 20-8 and 20-9)
- Interfund loans (School Code, Sections 10-22.33 and 20-4)
- State Aid Anticipation Certificates (School Code, Section 18-18)
- Personal Property Replacement Tax Notes (50 ILCS 420/4.1)
- Tax Anticipation Notes (30 ILCS 305/2 and 50 ILCS 420/5)
- Tax Anticipation Warrants (School Code, Section 17-16).
- Teachers' Orders (School Code, Section 8-16)
- Employees' Orders (School Code, Section 32-14)
- Anticipation of Revenue (50 ILCS 425/1 et seq.)
- Health/Life Safety Bonds (School Code, Section 17-2.11)
- Working Cash Fund Bonds (School Code, Section 20-1 et seq.)
- Funding Bonds (School Code, Sections 19-8 and 19-9)
- Refunding Bonds (School Code, Sections 19-15 and 19-16)
- Building Bonds (School Code, Sections 19-2 and 19-3)
- Certificates of Participation (School Code, Section 17-2.2.c)
- Revenue Bonds for Exhibition Facilities (School Code, Section 19a-2 and 19a-4)
- Tort Judgment Bonds (745 ILCS 10/9-105)
- Limited Bonds (30 ILCS 350/15)
- Alternate Bonds (30 ILCS 350)

LIMITATION OF ADMINISTRATIVE COSTS

Effective January 1, 1998, the following administrative expenditures are limited to a year-to-year increase not to exceed 5%:

- Executive Administration Services
- Special Area Administration Services
- Other Support Services—School Administration
- Direction of Business Support Services
- Internal Services
- Direction of Central Support Services

School year 1998-1999 will serve as the base year. On or before November 15, 1998, each public school district must file ISBE Form 54-32 using audited figures for fiscal year 1998 and budgeted figures for fiscal year 1999.

Waivers – Districts may waive the limitation if they are in the 25th percentile by district type and have a two-thirds vote of the school board. (ISBE must be notified within 45 days of said board action and ISBE Form 54-32 must still be filed by November 15, 1998.) Districts not in the 25th percentile may request a waiver pursuant to 17-1.5 and 2-3.25g of the School Code. ISBE must publish a report listing the districts not in compliance with the Act. ISBE may impose sanctions on districts not in compliance; however, districts awaiting legislative review of waivers are exempt from such sanctions.

CAPITAL INFRASTRUCTURE: SCHOOL CONSTRUCTION

Signed into law in December of 1997, House Bill 452 earmarked \$1.4 billion of state funds for school construction over a five-year period. The due date for FY99 Debt Service Grants is April 15, 1999 and FY2000 Construction Grants is April 1, 1999. Grants are awarded based on applicants' current and future facility needs and financial need. If ISBE issues a Construction Grant Entitlement, the district must comply with any applicable referenda requirements. Grant Indexes range from a minimum of 35 percent to a maximum of 75 percent. Eligibility is limited to elementary/high school districts with enrollment greater than 200 and unit districts greater than 400.

The Illinois State Board of Education (ISBE) and the Capital Development Board (CDB) are jointly responsible for administering the program. ISBE approves facilities' plans, calculates grant indexes for school districts, and awards construction grant entitlements and debt service grants. CDB develops construction standards and awards construction grants.

- **Debt Service Grants** – Apply only to construction bonds authorized and issued between January 1, 1996, and January 1, 1998, and only to ten percent of the principal as indexed for wealth. Terminates June 30, 1999.
- **Construction Grant Entitlements and Grants** - Based upon degree of need and categorized by project type as follows:
 1. replacement or reconstruction due to man-made or natural disasters,

TING SCHOOL FINANCES

2. shortage of classrooms due to population growth or aging buildings,
3. interdistrict reorganization contingent upon local referendum,
4. continuing health and life safety hazards,
5. alterations necessary to provide accessibility for qualified individuals with disabilities, and
6. other unique building solutions.

PROPERTY TAX EXTENSION LIMITATION LAW (PTELL) "TAX CAPS"

This law was passed in 1996 and limits the increase in property tax extension to 5% or the percent increase in the national Consumer Price Index (CPI), whichever is less. If a school district is located in more than one county, the rules of PTELL that apply should be confirmed with each applicable county clerk.

If separate levies are made, the following types of debt instruments are excluded from the limitation:

- general obligation bonds approved by referendum,
- general obligation bonds issued prior to the effective date of the law,
- bonds issued to refund or to continue to refund bonds issued prior to the effective date of the law,
- revenue bonds issued prior to the effective date of the law and backed by a property tax levy or the full faith and credit of the local unit of government,
- building commission lease bonds issued prior to the effective date of the law, and
- limited bonds to the extent the principal and interest payments do not exceed the district's debt service extension base less certain offsetting amounts.

In general, bonds issued on or after the effective date of the law are not excluded from the limitation provisions unless they are approved by voter referendum or can be issued as "limited bonds."

CHARTER SCHOOLS

Article 27A of the School Code authorizes the establishment of 45 charter schools: 15 in Chicago, 15 in Cook and collar counties and 15 downstate. To allow for innovation, charter schools are exempt from most state statutes and rules, except life safety rules. They may be located in existing school buildings or separate sites. Renewal of the charter after 3-5 years is contingent upon student achievement and responsible fiscal management.

Proposals for a charter school must be submitted to the local board of education and ISBE and must include the following requirements:

- Enrollment open to all district residents,
- No tuition charge,
- A governing board,
- Annual audit and an annual budget

DATES TO REMEMBER

SCHOOL BUDGET (ISBE Form 50-36)

- Publish notice of availability for public inspection and hearing before September.
- Hold Public Hearing on tentative budget prior to budget adoption.
- Hold Public Meeting to adopt budget on or before September 30.
- File adopted budget and revenue estimates with County Clerk within 30 days of adoption along with affidavit of Truth in Taxation compliance.

ADMINISTRATIVE CAPS (ISBE Form 54-32)

- Notify ISBE within 45 days if your district is waiving the limitation due to inclusion in the 25th percentile and two-thirds vote of school board. (Public notice and hearing are required prior to action.)
- File Limitation of Administrative Costs Worksheet with ISBE on or before November 15.
- If a notice of deficiencies is received from ISBE, address the deficiencies within 60 days.

AFR/AUDIT (ISBE Form 50-35)

- Deliver to Regional Office of Education (ROE) on or before October 15.
- ROE may grant a time extension not to exceed 60 days.
- ROE forwards copy of AFR/Audit to ISBE on or before November 15.

STATEMENT FOR PUBLICATION (ISBE Form 50-37)

- Publish in a newspaper with general circulation in the district on or before December 1. (See 105 ILCS 5/10-17 if no local newspaper is published.)
- A certified statement that the publication has been made together with a copy of the newspaper containing it must be filed with Regional Office of Education on or before December 15.

TRUTH IN TAXATION

- Only applicable if the aggregate levy exceeds the prior year aggregate extension by more than five percent.
- Publish notice of Public Hearing not more than 14 days nor less than 7 days prior to the public hearing.
- Hold Public Hearing on or before the last Tuesday in December.

TAX LEVIES (ISBE Form 50-02)

- File with appropriate County Clerk on or before the last Tuesday in December.

For additional information
Division of Financial Outreach Services
217/782-2491
